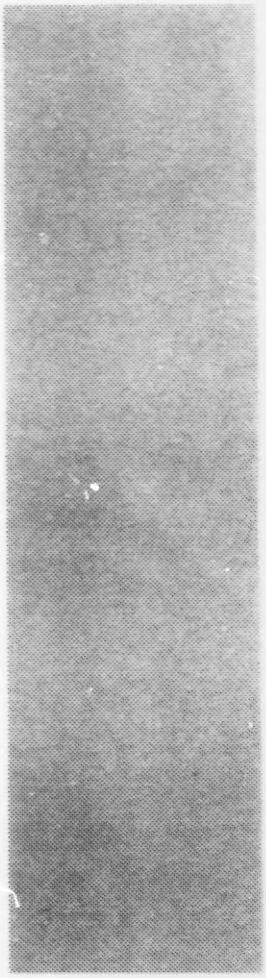
Business and Investment Development Strategy for Vancouver Island Coast

Executive Summary

September 1992



Ministry of Economic Development, Small Business and Trade DAVID ZIRNHELT . MINISTER
Business Development Task Force JACK TURNER . CHAIR

Business Development
TASK FORCE
Vancouver Island Coast

93-01419/

CONTENTS

Summary 1
Task Force Members 3
Ministry Assistance 3
Contributors - Marketing Strategy 4
Vancouver Island Coast Marketing Action Plan 5
Inventory Of Assets and Constraints 5
Role Of Government 6
Common Threads In Community Marketing 6
Investors And Investment; Who Are They?
What Are They Looking For? 7
Competitive Advantages 8
Barriers To Growth 8
Investor Needs And Vancouver Island Coast Assets 9
The Marketing Strategy 10
Networking And Conduits 11
Piggybacking Government Initiatives 11
Build On Existing Business Base 12
Prospecting 12
Task Force Recommendations For Action 13
Immediate Action Required 16
Short Term Action 17
Long Term Action 18
Action Plan 18
Chronological Development 21

Canadian Cataloguing in Publication Data
Vancouver Island Coast Business Development Task Force (B.C.)
Business and investment development strategy for Vancouver Island Coast: executive summary

To be used in conjunction with A Business development/investment blueprint, marketing strategy and action plan/Synergy Management Group Ltd., Cf. Summary.
ISBN 0-7718-9285-3

1. Investments - British Columbia. 2. Business enterprises - British Columbia. 3. British Columbia - Economic conditions - 1945 - . 4. British Columbia - Industries. I. Title: A business development/investment blueprint, marketing strategy and action plan. II. Title.

HC117.B7V36 1992 338.9711 C92-092367-4

Business Development
TASK FORCE
Vancouver Island Coast

SUMMARY

The Vancouver Island Coast Region Marketing Strategy and Action Plan to attract investors and stimulate investment in the Region is a joint effort involving most of the communities of the Vancouver Island Coast Region, Pacific Coast Energy, Centra Gas, and the Ministry of Economic Development, Small Business and Trade. This executive summary is being circulated along with Volume One and Volume Two of the strategy to outline the action steps that can be taken by: communities, sub-regions, regional agencies such as the Tourism Association of Vancouver Island, the Vancouver Island Developers' Economic Association (VIDEA), and the Provincial Government, to implement the strategy.

The strategy was developed under the direction of the Vancouver Island Coast Business Development Task Force, a group of stakeholder representatives from different parts of the Region. This is the third phase of a development program which began in November 1990 when the communities of the Region worked to present a comprehensive regional promotion at the investment forum held in the Vancouver Trade and Convention Centre. The second phase of the strategy saw three Economic Development Officers from the Region participate in a B.C. Government mission to an Investment Conference in Hong Kong in May 1991, to present the Region to potential investors from the Pacific Rim. With the completion of this third phase the

SUMMARY

Task Force has put the key building blocks in place on which the communities and business sectors in the Region can build a more diversified and vibrant economy. The following pages provide highlights of the two volumes created by Synergy Management of Nanaimo. They are to be used as a guide through the Marketing Action Plan for this Region.

TASK FORCE MEMBERS

Chair:

- Jack Turner, Chair, Regional District of Comox-Strathcona

Members:

- Michael Colclough, EDO, Kwakiutl District Council
- Greg Goodwin, General Manager, Cowichan Business Development Centre, Treasurer, VIDEA
- Annemarie Koch, EDO, Mount Waddington Regional District (VIDEA)
- Walt Lengerke, EDO, Comox Valley EDC Vice-President, VIDEA
- Bill LeSage, Parksville Chamber of Commerce
- Patrick Marshall, EDO, District of Campbell River EDC, and President VIDEA.
- Ellen Pawlina, Former Manager, Comox Valley Chamber of Commerce

MINISTRY ASSISTANCE

- Jim Cameron, Regional Manager, Vancouver Island Coast Region
- Arnold Harasymchuk, Regional Analyst, Vancouver Island Coast Region
- Jaclynn Dalinger, Office Coordinator, Vancouver Island Coast Region
- Lisa Gow, Regional Development Division
- Bette-Jo Hughes, Community Economic Development Branch
- Bert Zethof, Business Development and Investment Branch

CONTRIBUTORS - MARKETING STRATEGY

COMMUNITIES & COMMUNITY ORGANIZATIONS:

- Alberni Clayoquot Regional District (Port Alberni, Tofino, Ucluelet)
- Village of Alert Bay
- District of Campbell River
- Comox Valley Economic Development Commission (Courtenay, Comox, Cumberland)
- Cowichan Valley Community Futures
- Corporation of the Township of Esquimalt
- Village of Gold River
- Kwakuitl First Nations
- Mount Waddington Regional District Mount Washington Community Futures
- City of Nanaimo
- City of Parksville
- District of Port Hardy
- Town of Port McNeill
- District of Powell River
- Powell River Community Futures

CORPORATE SPONSORS:

- Pacific Coast Energy Corporation
- Centra Gas

GOVERNMENT:

- Ministry of Economic Development, Small Business and Trade

VANCOUVER ISLAND COAST MARKETING ACTION PLAN

The Marketing Action Plan is a blueprint for business development in the Region. It is a strategy that is designed to promote coordinated efforts to attract investors and investment capital to the Region.

The strategy identifies who the most likely investors are, where they come from and how to approach them most effectively. The strategy also looks at barriers to investment and growth from an out-of-Region perspective.

Ultimately, the strategy is a doable Action Plan based on the resources available in the communities and agencies throughout the Vancouver Island Coast Region.

INVENTORY OF ASSETS AND CONSTRAINTS

Prior to the commencement of this third phase of the Marketing Strategy, Regional Staff with the cooperation and assistance of local Economic Development Officers, carried out an extensive inventory of the assets and constraints to economic development in the Region. Each community and industrial sector was examined for potential development opportunities, and to identify gaps in information. This was completed in October 1991.

ROLE OF GOVERNMENT

The foundation of capital investment, the "economic climate" is clearly the key role of government. Programs that enhance job training, re-training, laid-off industrial workers, government incentives and programs, trade missions and consulates and sectoral analyses are best done under the auspices of government. However, government should also encourage and facilitate greater cooperation between industry sectors and local communities, and inter-community cooperation to enhance the economic climate of the Region.

COMMON THREADS IN COMMUNITY MARKETING

There are a series of common threads that link the communities in the Region together:

- strategic and controlled growth in harmony with the environment is keynote;
- quality of life is more than a catch phrase;
- tourism is an important investment opportunity;
- there is an integral tie-in to natural resources and sustainable development; and
- most communities welcome investment and investors who can augment and diversify the local economy.

The concept of joint-marketing and shared initiatives between communities is a valid one. There are a number of good reasons, besides common threads, why communities should combine their efforts including: budget limitations,

sharing human resources, geographic proximity, economic objectives, and common infrastructure. This does not imply that all communities would find the same type of investment desirable, only that the opportunity exists for greater cooperation for the common good. A business opportunity lost to the Region hurts all communities in some way.

INVESTORS AND INVESTMENT
WHO ARE THEY?
WHAT ARE THEY LOOKING FOR?

Investors are people. They go where they are wanted. Even corporate decisions are made by individuals who will in turn bring larger organizations. For this reason, the marketing strategy is directed to attracting people - individuals. The main thrust of the report is **focus** and **network**. Define and get to know your target market, then with the aid of networks, conduits and contacts, entice the prospective client to investigate the promising opportunities of the Region further.

Target companies should be: of moderate size, technology based, portable, and located primarily in the lower mainland, Ontario and the Prairie Provinces.

COMPETITIVE ADVANTAGES

Some of the decided advantages of the Vancouver Island Coast Region include the obvious, such as inexpensive land and quality lifestyle. Other advantages are less apparent, such as the fact that the Region is less than 48 trucking hours from California. There is convenient access to the U.S. border, Vancouver and international air destinations all within easy commuting distance. The Region has a number of vibrant, growing communities that provide ground floor opportunities for growth. Finally, the urban pressures of land use competition, increased crime and population do not exert the same influence upon businesses located in the Region.

To round out the advantages, add the warmest and most pleasant climate in Canada, an established tourism destination, a growing retirement community with latent talent waiting to be tapped and unique growth sectors, such as marine sciences and aquaculture.

BARRIERS TO GROWTH

Notwithstanding the above, there are barriers to growth. Some of these actually act as safeguards to help control undesirable growth whereas others are impediments to economic development and quality of life style.

Some of the barriers listed in the report include: red tape, people with a no growth attitude toward economic development, limited government incentives, difficulty in accessing investment capital, reliance on the primary resource sector, poor management\labour relations in some sectors, and Native land claims that are yet to be resolved. Many of these barriers can be minimized by stakeholders communicating, cooperating and developing a common goal.

The report also identifies barriers that are less tangible than those listed above. These include: lack of focus on community economic development goals resulting in a myriad of public and private agencies sometimes working at cross-purposes to one another, the lack of a clear cut image and identity for the region and its communities, and a history of passive marketing. With an economic development blueprint in place and supported by all communities, most of these barriers can be overcome.

INVESTOR NEEDS AND VANCOUVER ISLAND COAST ASSETS

This section in the sister publications provides an overview of the report, "Assets and Constraints to Economic Development of Region 1". This highlights, by sector, what types of investment opportunities investors may be

interested in after having carefully analyzed all of the rewards and pitfalls of seizing the opportunities identified.

The need for well-packaged specific opportunities that are bottom-line oriented and preferably in a niche and\or growing market is emphasized.

THE MARKETING STRATEGY

The overview of the marketing plan as outlined by the consultants included the objective to create an innovative strategy. It was necessary for the approach to accommodate a number of communities with dissimilar and often divergent economic and business development goals and differing business opportunities. In order to accomplish this objective, a four-pronged approach was developed. The results of this concept as highlighted below, presents ideas for immediate action, medium-range goals and long-term objectives. The consultants further point out that the overriding necessity of any marketing initiative, especially for this one, is **"focus"**. This one aspect became an important design parameter for the whole of the strategy.

This four-pronged approach to economic development is as follows: Networking and Conduits, Piggybacking Government Initiatives, Build on Existing Business, and Prospecting. Certain aspects of each can be undertaken

immediately, other facets take more time to develop. A re-cap of these recommendations are set out in the tables to follow.

I NETWORKING AND CONDUITS

The consultants highlight the importance of this sector with the heading "Network, Network, Network". The emphasis points to the importance of establishing contacts, developing a rapport and cultivating leads. Certain initiatives can be undertaken by communities on a stand-alone basis, others need the critical mass that comes from joining forces with others, be it communities or common interest groups.

II PIGGYBACKING GOVERNMENT INITIATIVES

Many levels of government, many ministries or departments and many branches of government are involved in promotion of the country, province, industry sectors and/or specific products. Trade missions, incoming buyer programs and information sessions are a regular feature of government doing business at home and abroad.

III. BUILD ON EXISTING BUSINESS BASE

Businesses often succeed because of the convening of certain resources, infrastructural development, proximity to markets or access to markets, labour supply and the like. The consultants suggest each community look at its successful businesses and look at ways to help them grow from within. The report admonishes not to overlook established businesses for the sake of capital recruitment.

IV. PROSPECTING

For this report, prospecting is defined as the process of generating new leads by means of ferreting and cold-calling. Certain geographic blocs, such as Hong Kong, California and Ontario are experiencing mass outbound exoduses. The consultants point out that while these areas may represent sources of potential businesses, the competition for the attention of those leaving is fierce. Many competitive communities and regions soliciting entrepreneurs from these areas are well funded, have attractive packages of benefits to offer and have significantly larger local markets. The recommendation is to focus on select targets in these markets. The analogy used is the rifle approach as compared to the shotgun approach. Some of the prospecting opportunities or techniques are shown in the following tables .

Synergy Management Group looked at ways of implementing the four-pronged approach. In order to be effective, the necessary conduits or pipelines to reach intended targets needed to be put in place. Some of the initiatives require a broader base of activity (a greater critical mass) than a single smaller community can effectively provide. In this respect, inter community cooperation at the very least is required. Synergy Management recommends implementation of the "**INVESTWEST**" concept of a Regional Economic Development Corporation.

The fact that some of the initiatives can be implemented by individual communities is highlighted by the example of Sandpoint Idaho used in the report. Sandpoint represents a single community that is succeeding in its objective of attracting business to the area. It is interesting to note that full cooperation from the community at large was received.

There are times when one community cannot fulfil the requirements of a potential client. By way of example, certain franchise outlets need a minimum population base in order to establish a presence. One community alone may not have the required population, but the trading area, consisting of two or three communities may. To continue the example, the City of Duncan contains a population of approximately 4,000 people according to 1991

III BUILD ON EXISTING BUSINESS BASE

Businesses often succeed because of the convening of certain resources, infrastructural development, proximity to markets or access to markets, labour supply and the like. The consultants suggest each community look at its successful businesses and look at ways to help them grow from within. The report admonishes not to overlook established businesses for the sake of capital recruitment.

IV. PROSPECTING

For this report, prospecting is defined as the process of generating new leads by means of ferreting and cold-calling. Certain geographic blocs, such as Hong Kong, California and Ontario are experiencing mass outbound exoduses. The consultants point out that while these areas may represent sources of potential businesses, the competition for the attention of those leaving is fierce. Many competitive communities and regions soliciting entrepreneurs from these areas are well funded, have attractive packages of benefits to offer and have significantly larger local markets. The recommendation is to focus on select targets in these markets. The analogy used is the rifle approach as compared to the shotgun approach. Some of the prospecting opportunities or techniques are shown in the following tables .

Synergy Management Group looked at ways of implementing the four-pronged approach. In order to be effective, the necessary conduits or pipelines to reach intended targets needed to be put in place. Some of the initiatives require a broader base of activity (a greater critical mass) than a single smaller community can effectively provide. In this respect, inter community cooperation at the very least is required. Synergy Management recommends implementation of the "**INVESTWEST**" concept of a Regional Economic Development Corporation.

The fact that some of the initiatives can be implemented by individual communities is highlighted by the example of Sandpoint Idaho used in the report. Sandpoint represents a single community that is succeeding in its objective of attracting business to the area. It is interesting to note that full cooperation from the community at large was received.

There are times when one community cannot fulfil the requirements of a potential client. By way of example, certain franchise outlets need a minimum population base in order to establish a presence. One community alone may not have the required population, but the trading area, consisting of two or three communities may. To continue the example, the City of Duncan contains a population of approximately 4,000 people according to 1991

Statistics Canada Census figures, too small for many companies to consider establishing an outlet. However, the trading area for Duncan contains nearly 60,000 persons, much more attractive to franchise holders.

There may also be commonality of interest or infrastructure that is attractive to certain industries. For example, a process that uses wood waste may want to locate near a collection of primary break-down mills or wood remanufacturing facilities. Transportation corridors, access to major markets, constant power supply and other considerations would govern the locational choices. A group of communities where each could provide some aspect of the wood waste industry needs could collectively and cooperatively provide all of the requirements, thereby being able to make a credible pitch for the business.

Still, there are some initiatives that need a broader perspective. The ability to assess leads objectively and avoiding parochialism is desirable in certain circumstances. The recommendation of Synergy Management Group is to use a regional development corporation style of vehicle, funded by the business community, free from federal, provincial and municipal government control. Such an enterprise could speak business to business, thereby fast tracking

certain opportunities that might otherwise take years to stumble upon the right set of circumstances required to proceed.

On the following pages are recommendations from the Task Force for actio that can be undertaken on three levels: by communities, groups of communities, and the proposed "INVESTWEST".

IMMEDIATE ACTION REQUIRED

COMMUNITY	INTER-COMMUNITY	"INVESTWEST"
Establish a local SWAT team to react quickly to potential interest.	Promote cooperation between symbiotic groups such as the seven technology based companies from Nanaimo who work in cooperation with each other and Malaspina College	Develop a Regional identity, a visual hook that becomes synonymous with Vancouver Island Coast. Promote the balance of Region One to visitors to Victoria. Butchart Gardens, Goldstream Park, etc., could display brochures of what to see and do elsewhere.
Consider quarterly publication of Newsletter.	Make a presence at local vacation hot-spots. Could be by way of brochures of the area.	Design and distribute a regional newsletter with current information. Get people familiar with 'INVESTWEST".
Keep local information current and available.	Work with TAVI in following up interest.	Obtain membership in the Vancouver Board of Trade and attend meetings.
Continue to support or implement EDO functions.	Develop and use "PLAY HERE, LIVE HERE, PROSPER HERE....WITH US" theme.	Advertise on B.C. Ferries, Sea Link, Victoria Express, Blackball, Washington State / Anacortes, etc..
Liaise with local representatives of Native groups, TAVI, Chambers and Real Estate. Share leads with them and tie into their initiatives.	Liaise with Native groups, TAVI, Chambers and Real Estate. Share leads with them and tie into their initiatives.	Educate Provincial and Federal Agencies.
Survey local businesses to see if supply lines can be intercepted and replaced with local goods and services.	Undertake joint community economic base analysis to focus on sub-regional opportunities.	Develop an Island presence. Encourage firms doing business in Region One to locate at least a portion of their staff and / or warehouses or manufacturing plants here (where appropriate).
Place promotional literature in every local hotel and motel room.		
Continually educate others about your area.		
Prepare information packages of specific opportunities.		
Work with government agencies involved in economic development. Keep them informed on local opportunities.		
Develop a positive attitude toward business and create an atmosphere of "Open for Business".		
Arrange to list local suppliers with Government purchasing agencies.		
Educate civic officials to economic development goals, objectives and priorities. Reduce red tape.		

COMMUNITY	INTER-COMMUNITY	"INVESTWEST"
ge editorial write-ups on certain s of the community.	Joint advertise with real estate bulletins and NRS catalogues.	Produce a first quality video with generic information on Region One.
in success stories and personal hs in the local area. Use local to write up stories.		Access foreign tourists - have brochures, videos and literature available to them.
sh a community-based unications group. It should be ic and encourage sharing of	Joint venture with TAVI. Joint advertising and action insert cards are just two suggestions.	Make promotional literature available at ferry terminals, bus depots, airports, train stations, resorts, B & Bs, car rental outlets, etc..
ocal MLAs, MPs and Ministers ed of opportunities and ses. Discuss economic pment priorities.	Establish working relationships with educational institutions.	Promote a vacation on Vancouver Island Coast Region One campaign.
with Immigrant Investor m. Ensure the Ministry has real tunities from your area.		
op a team approach to resolving t issues.	Prepare and implement a strategy for Commonwealth Games.	Produce a quarterly newsletter featuring trends and success stories.

LONG TERM ACTION

COMMUNITY	INTER-COMMUNITY	"INVESTWEST"
Circle speaker circles and share ideas with other communities. Promote Region One outside of the area	Select trade shows to attend and piggyback on conferences, missions and seminars where potential for success is realistic.	Develop a one-stop vacation shopping centre such as in PEI. This could be an interactive GIS terminal at locations tourists frequent (such as Victoria Causeway).
Promote involvement in regional economic development through logo contests, new business awards, etc..	Display your presence at such international or intra-provincial locales as Whistler, Vancouver Trade and Convention Centre, Victoria Conference Centre etc.. A professionally manned, quality booth needed.	Produce first quality, industry specific videos on opportunity industries.
Encourage foreign writers to come and play and stay in Region One.	Participate in trade missions that are relevant to the communities or industries in your area.	Develop "Made in Region One" and "Buy Locally" campaigns.
Target community ads in trade journals, etc..	Lobby for free trade manufacturing zones. Seek a relaxing of restrictions imposed by government that affects area producers.	
Participate in partnerships with government where possible.		
Implement a business retention program where appropriate.		
Develop a profile of businesses the community wishes to attract.		
Look to ways of exploiting negatives (Utilization of waste products for example.)		
Look for twinning opportunities with other communities, within the Region, extra-regionally and internationally.		
Liaise with Foreign Offices and Canadian Consulates, providing contacts and current information.		

ACTION PLAN

Synergy Management Group concluded their report with an Action Plan. They point out that there are four elements that are paramount to the success of the marketing action plan: **ENTHUSIASM** that generates excitement and results-oriented activity; **COMMITMENT** which demands time, attention

and money - all long term; **INVOLVEMENT** on a community-wide basis and **FOCUS** on promising investor\investment access points and stratagems.

The report recommends that communities not rely upon government fiscal commitments to initiate economic development. A business-to-business approach to economic development will be more effective than the government-to-government networking that is presently being used in many instances. Fierce global competition and tight money will continue to make attracting qualified investors a challenge. Communities must ask these pertinent questions before committing to the marketing strategy:

- Can I effectively market myself in relation to other Vancouver Island Coast communities?
- In relation to other B.C. regions?
- Do I have the people to carry this out?
- Do I have the money to carry this out?
- Can I get the community behind a local initiative?
- Do I have all the contacts and expertise needed to give this community the best exposure?
- Will the municipal council support me fully?
- Do I have the time to carry this out?
- Can I benefit from lead sharing?
- Do I have the tools to best package local opportunities and the vehicles and networks to promote them?

- What other functions will I have to give up in order to adopt these new activities on my own? What will suffer?
- What resources can I draw upon to help me? Who has helped in the past?
- Am I isolated in my marketing?
- What are my targets? Can I achieve them with the resources I have?
- Could objectivity play a positive role in promoting my region?

The conclusions drawn by the consultants indicate that each community can implement the marketing strategy on their own, however economies of scale and the elimination of duplications of effort would suggest a cooperative effort between groups of communities and would better serve the Region. The formation of "INVESTWEST" as a private interest Regional Development Corporation is their conclusion as the ideal.

CHRONOLOGICAL DEVELOPMENT

The summary presented in this report is based on works of agencies related to the Task Force and activities of the Task Force as follows:

YEAR	ACTION	AGENCY
1986	An Economic Strategy for Vancouver Island Coast AVIM	P.A. Research
1989	Regional Transportation Study - Transportation Task Force	P.A. Research
1989	Analysis of Economic Development Opportunities & Infrastructure Requirements - Economic Development Region One - Vancouver Island Coast	Western Management Consultants
1989	Vancouver Island Coast - An Implementation Strategy: The Report of Technology and Innovation Task Force	Open Systems Group
1989	Vancouver Island Coast - Wood Supply for Specialty Mills - The Report of the Forestry Task Force	Informat Services Inc.
1989	Review of the Agricultural Land Commission - Agriculture Task Force	Don Ference & Associates
1989	Vancouver Island Coast Region - Canada's Pacific Opportunity	In House
1989	Canada's Far West Opportunity - Vancouver Island Coast	In House
1990	Vancouver Island's Pacific Opportunity Hong Kong Promotion - Strategy 1990 (with contact lists, booth handbook and etiquette workshop overview)	Peat Marwick
1990	"Big Island Survey Results"	Peat Marwick Stevenson Kellogg
1991	"A Marketing Strategy To Attract Foreign Investment To Vancouver Island Coast Region" Final Repor.	Peat Marwick Stevenson Kellogg
1991	"Inventory of Assets and Constraints to Economic Development of Region 1 - Prelude to the Launch of a Marketing Strategy"	Ministry
1991	Vancouver Island Coast Tourism Development Strategy - Tourism Task Force	Economic Planning Group of Canada
1991	Vancouver Island Coast - Creating Demand: Intra-Regional Air Services Enhancement Study - Business Development Task Force	Horizon Pacific Ventures Ltd.
1992	Inventory of Assets and Constraints to Economic Development of Region 1 - Prelude to the launch of a marketing Strategy - Business Development Task Force	MEDSIT Reg. Analyst
1992	"A Business Development/Investment Blueprint: Market Strategy and Action Plan", Volumes One and Two	Synergy Management Group Report
1992	Vancouver Island Coast Region One - marketing Specialty Wood Products - Forestry Task Force	Informat Services Inc.
1992	Vancouver Island Coast Region - Telecommunications Strategy - Innovation and Technology Task Force	Intelecon Research & Consultancy
1992	Vancouver Island Coast Region - Telecommunications Infrastructure Needs Assessment Study - Innovation and Technology Task Force	Intelecon Research & Consultancy

British Columbia
CANADA

Government of British Columbia, Canada

Queen's Printer for British Columbia©
Victoria, 1992

Printed in British Columbia, Canada on recycled paper